



Budget Results Council
MEETING NOTES
September 16, 1998
L'enfant Plaza East Building
Washington, D.C.

Attendees: Bechtel NV-Bruce Hanni, DP-Tony Lane, ER-Ralph Delorenzo, FMSIC Clearinghouse-Brian Morishita, HQ-Lyn Henderson, HQ-Jon Mathis, HQ-Betty Smedley, LLNL-Jeffrey Fernandez, LMITCO-Terry Olsen, Judy Penry-ORO, PNNL-Tom Baranouskas and SRO-John Pescosolido
Guests: Karen Brown, Paul Kelley, Jack Lopez
Not present: EM-Eli Bronstein, NE-Chuck Roy
Facilitator: Maureen Gallen

- The next Budget Results Council meeting will be 02/17/99, Washington, D.C.
- An expanded meeting of the BRC will be held in conjunction with the FMSIC All-Contractors Meeting in late April/early May. Four locations are being considered: Chicago, Las Vegas, Phoenix and San Diego. Morishita will notify members of the Council as soon as a location is selected. The meeting will probably start on a Wednesday afternoon and go through all day Thursday. An additional 40 people are expected to attend.
- It was decided that the conclusion of the first year of BRC's operation would occur after the February BRC meeting. An activity/accomplishments report will be prepared by the BRC Co-Chairs. Also included in the annual report will be those processes/activities that were found to be working correctly.

LIMITED YEAR APPROPRIATIONS - Pescosolido

- Second draft of this report issued that emphasized difficulties with this concept. Incorporated comments from both field offices and contractors and focused on transition to two year appropriations. Still awaiting comments from GC, EE, and EM.
- Report is due from DOE to Congress on 10/01/98 and finalized copies of it will be provided to the members of the Council.



- The BRC commended John Pescosolido for his work on the report.
- It was also noted that we would like to return the current annual appropriations back to no-year.
- Anticipate wide distribution of the report to the field and contractors.
- To accommodate this practice manual systems are in place at some sites to track data during its first year. However, if this were to be adopted on a permanent basis, major software changes would be required to capture and report the data.
- If the report is not successful in convincing Congress not to impose limited period appropriations on DOE, then an addendum to the report will be prepared with additional information on problems encountered in DOE's FY 1998 implementation of annual appropriations in a few accounts.
- Post delivery of report: It was decided to provide a briefing by the CFO (which would include some labs representatives) rather than including additional impacts in the report to avoid delaying its October 1 scheduled delivery date. Someone from one of the New Mexico labs such as Frank Figueroa as well as someone from an ER or EM lab should be part of this briefing. Pesco and Smedley have the lead on this with Delorenzo also providing a name.
- An example of a negative impact is NREL. A five year M&O contract is to be let but the single year appropriations practice conflicts with this.

STREMLINE AFP PROCESS - Baranouskas

- A subteam examined this process and documented it including its time characteristics. The subteam's deliverables were: (1) Recommended the implementation of minimum standard requirements with work authorizations and funding. (2) Recommend to the field offices to look for improvements particularly the automation of the AFP. (3) Appoint Jennifer Hackett of Oak Ridge to serve as the BRC's point of contact to the BMIS effort. (4) Retain this subteam to address ad hoc issues as needed.
- A possible 20% cycle time reduction if standardization of work authorization occurs. It was noted that opportunities for shortening the process were primarily in the field
- A report from Baranouskas is due to the Council members by 09/30/98.
- Comments from the Council members are due back to Baranouskas by 10/31/98. Baranouskas will incorporate comments and if no major issues/changes will provide to the BRC Co-Chairs who will transmit this report to the CFO. Major comments/changes will be addressed by conference calls.
- Recognition of subteam participants. BRC members who are responsible for subteam activities will provide the participants' names and provide to Henderson. He will



prepare letters addressed to these individuals for the CFO's signature. The Council decided this will be a standard practice of recognition.

- Major comments/changes will be RESOLVED VIA conference calls.
- Tony Lane recommended that a policy be put out in the budget handbook stating that sending all the funding to the field in the beginning of the year is the preferred Departmental policy.

BUDGET VALIDATION – Fernandez

- Based upon the Budget Validation subteam's meeting in Las Vegas in early August, a report was written and submitted to the members of the Council. This issue arose from an unmet performance measure.
- As a follow-on action it was recommended by the subteam that: (1) the subteam develop a scoring methodology and (2) revise Attachment B of the "Budget Handbook, Subsequent Controller Guidance in 9/97."
- A third possible action was identified – validate the process that translates guidance into the final budget estimates.
- It was agreed that the key to this was that the budget validation processes of both the field offices and the contractors have to be documented. Also need to document budget validation actions of HQ program offices. Also need to document the results of budget validation (i.e., did anything happen because of the review?)
- There are two parts to budget validation - Pricing and Program Review.
- Tony Lane mentioned that DOD had expressed concerns regarding the linkage of DOE program guidance to budget requests and that clarification of this connection would be useful.
- A subgroup led by Fernandez and Lopez will meet in October in DC. Participants will be drawn primarily from those who attended the first budget validation meeting.
- Comments will be due from the Council members by 11/15/98 and a recommended path forward is due to Smedley by 11/30/98.
- This group will develop guidelines for scoring methodologies and program reviews during the first day of a two day meeting and then review their recommendations with representatives from the PSOs.
- The guidelines will include criteria for evaluating budget validations and these will be a part of the report delivered to Betty.

LANDLORD MULTI PROGRAM SITE FUNDING – Penry



The Council decided to defer this issue because (1) it lacks definition; (2) it is not a budget issue but rather is a management issue. (3) Changes in GPE policy and the orphan facilities initiatives would ameliorate most of the current immediate problems in landlord policy.

BUDGET FORMULATION – Pescosolido

- The draft product was made more generic to reflect more of what happens in the Department overall.
- Although there was not complete consensus on problems, most attendees seemed to agree that there were questions on whether all field submission material is required and concerns about the failure of the UNICALL to stop multiple calls and submissions.
- This effort at some point needs to tie into Bronstein's effort of documenting the budgeting process and its choke points.
- Little consensus on the top three areas for improvements. Henderson will meet with the CFO and present Pesco's report along with a list of recommendations from the Council members as to what needs to be done.
- To accomplish this the following must occur:

09/30/98 – Members need to e-mail Pesco their list of what needs to be either improved and/or fixed.

10/15/98 – Pesco provides Henderson this list in the form of a consensus/opinions summary.

10/30/98 – Obtain input from Telson and Smedley on chosen "topic for correction."

11/15/98 – Either e-mail or conference call communication among Henderson, Pesco and Fernandez conclusions from the above and select subteam members and subteam lead.

CONTRACTOR SECURITY CLEARANCES

- What level in the budget and what level of cost detail?

GPRA

- Recognized no linkage between strategic planning and the budget. Consider how to help the Department with performance measures.



OUT OF THE BOX – Lane

- Restructure departmental budgets such that FM has budget responsibility for site infrastructures while PSO's retain funding responsibility for direct programs ("Base commander plus" concept.)
- Review roles/responsibilities of Headquarters and field in budget formulation, justification, and execution with goal of clear separation of responsibilities.
- Modify timing of annual field budget submission from Spring to Fall.
- Return to cost based budgeting for O&M with obligational requirements administered corporately by the CFO.
- Fully implement electronic banking concept within DOE.
- Merge PSO and CFO budget offices into one organization.
- Utilize DOD model to implement joint OMB and Headquarters reviews of field budget requests.
- Implement field office centers of excellence for budget formulation and execution similar to concept applied to accounting system.
- Council members need to e-mail their comments to Lane regarding the above suggestions.

BRC COMMUNICATIONS BEYOND THE BRC

- Attendees at the national lab budget officers meeting indicated they were not receiving information regarding BRC's activities and accomplishments.
- A subpage to the CFO homepage will be created that publishes the BRC accomplishments. BRC accomplishments will also be publicized through the CFO Conference, the Five Year Plan, E-mails to financial mailing lists, FMSIC, the Annual Report, and the DOE Newsletter.

YEAR 1999 AND 2000 – Henderson

- 1999. It is unknown at this time when the Energy and Water appropriation is coming. Interior appropriation is even further behind.
- 2000. A four tiered budget was submitted and was sent on Monday.



ACTION ITEM LIST

The following is a list of action items that came out of the last BRC meeting:

<u><i>Action</i></u>	<u><i>Lead</i></u>	<u><i>Due Date</i></u>
NEXT BRC MEETING	All	02/17/99
REPORT TO BRC LOCATION AND DATE OF FMSIC ALL-CONTRACTORS & BRC MEETINGS	Morishita	11/01/98
PREPARE BRC ANNUAL ACCOMPLISHMENTS & ACTIVITY REPORT	Henderson & Fernandez	After next BRC Meeting
POST DELIVERY BRIEFING ON LIMITED YEAR APPROPRIATIONS	Pesco & Smedley	After 10/01/98
PROVIDE PARTICIPANT'S NAME FOR BRIEFING	Delorenzo	10/01/98
CHART (MAP) FLOW OF BUDGET PROCESS	Bronstein	Status at next meeting
STREAMLINE AFP PROCESS REPORT TO BRC	Baranouskas	09/30/98
COMMENTS ON AFP PROCESS REPORT TO BARANOUSKAS	All members	10/31/98
PROVIDE SUBTEAM MEMBERS' NAMES TO HENDERSON FOR LETTER OF THANKS	All members	As needed
BUDGET VALIDATION PATH FORWARD SUBTEAM RECOMMENDATION TO BRC	Fernandez	10/31/98
COMMENTS FROM BRC MEMBERS ON BUDGET	All members	11/15/98



VALIDATION PATH FORWARD RECOMMENDATION

FINALIZED RECOMMENDATION TO SMEDLEY	Fernandez	11/30/98
BUDGET FORMULATION		
Develop list of what needs to be improved or fixed	All members	09/30/98
Provide to Henderson this list in the form of consensus/opinions summary	All members	10/15/98
Obtain input from Telson and Smedley on topic for correction.	Henderson	10/30/98
Either e-mail or conference call conclusions from the preceding, select subteam and subteam lead.	Henderson, Pesco & Fernandez	11/15/98
FEED BACK ON "OUT OF THE BOX" ITEMS TO LANE	All members	09/30/98
BRC ACCOMPLISHMENTS PUBLISHED AS SUBPAGE TO CFO HOMEPAGE	Henderson	02/17/99